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Chairman: Ms. Cronenberg-Mossberg (Vice-Chairperson) ..... (Sweden)

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The meeting was called to order at 3.15 p.m.

Agenda item 102: Third United Nations Conference on the Least Developed Countries (A/58/86-E/2003/81, A/58/436 and A/58/437)

1. **Mr. Chowdhury** (Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island States) submitted the Secretary-General's report on the implementation of the Programme of Action for the Least Developed Countries (LDCs) (A/58/86-E/2003/81), approved in Brussels, noting that it was the first such report. The conclusions drawn and the recommendations put forward in the report were designed to ensure that monitoring mechanisms and follow-up procedures would be put in place for a coherent and coordinated implementation of the Brussels Programme of Action (BPoA) during the next decade. The report indicated that, two years after the Brussels Programme was adopted, its implementation remained a challenge for most of the LDCs, especially with regard to the development of sufficient national capacities to implement the BPoA, associated implementation costs, and ownership. Successful implementation of the BPoA would ultimately depend on the spirit of shared responsibility and global partnership that had been forged at Brussels.

2. If the current trend continued, the number of people living on less than US$ 1 a day in the LDCs would reach 420 million by 2015. Financial resource flows to the LDCs were far from the level at which the needs of LDCs could be met, although many LDCs had made remarkable strides to improve the investment climate in their countries. Although global foreign direct investment (FDI) in developing countries had increased dramatically, it had hardly benefited LDCs. Accordingly, official development assistance (ODA) for LDCs should be increased to boost their national development efforts in fulfilment of the commitments for the LDCs reiterated in Brussels and subsequent major global conferences. The World Solidarity Fund should focus on the eradication of poverty in the LDCs as a priority. For many LDCs, debt continued to be a major hardship. High levels of debt service payments were draining away their development resources.

3. Although trade was a powerful engine for sustainable development, the LDCs' share of world trade was falling and they relied heavily on the export of commodities. After the failure at Cancun and as the UNCTAD XI meeting in Sao Paolo in June of the following year approached, it was important to ensure that the issues of commodities, erosion of preferential margins and effective utilization of preferential arrangements by the LDCs were among the issues highlighted there. The development process in the LDCs had been slow and required efforts both from within these countries and from the entire international community. Although the challenges faced by LDCs in pursuing the Millennium Development Goals (MDGs) were immense, they were not insurmountable.

4. Effective follow-up, implementation, monitoring and review of implementation of the BPoA required the partnership of all key stakeholders, including the private sector and civil society at the global, regional and national levels. The United Nations system organizations and the multilateral organizations had a special role to play in the implementation process and in that regard, it should be noted that some of those international organizations had already adopted decisions to mainstream the implementation of the BPoA. Regional and sub-regional organizations also played a crucial role in implementing the BPoA by promoting South-South and triangular technical cooperation. The high-level meeting on South-South cooperation scheduled to be held in Marrakech the following month needed to give special attention to LDCs.

5. By recognizing the LDCs' primary responsibility for their development, the BPoA laid special emphasis on the national level. Implementation of the BPoA at the national level included, inter alia, identification of the national focal point, establishment of a broad-based and inclusive national forum and incorporation of the BPoA into the national development programme and poverty eradication strategy. Since lack of capacity for effective follow-up and implementation at the national level and for participation in the intergovernmental process was a great challenge for the LDCs, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island States (OHRLLS) was planning to organize a five-day briefing and training workshop for national Focal Points in New York in January 2004. It was to be hoped that the donors would provide adequate support for that activity. The OHRLLS was also involved in the implementation of the Almaty Programme of Action, incorporating implementable

and measurable activities to assist landlocked developing countries and small island States. Effective implementation of the Almaty Programme of Action would contribute to progress on the Brussels agenda at the same time. The OHRLLS would also participate in the following year's international meeting in Mauritius to discuss the subject of small island developing States, which would also advance the implementation of the BPoA.

6. The Economic and Social Council (ECOSOC) had decided to devote the following year's high level segment to the theme "Resource mobilization and enabling environment for poverty eradication in the context of the implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010". That would be an opportunity to put the LDCs' cause at the top of the global development agenda. In the Secretary-General's report on the implementation of the BPoA, various options had been submitted to facilitate the participation of the LDCs' delegations in the substantive sessions of ECOSOC, as the key mechanism for monitoring and reviewing the BPoA.

7. Since the Brussels meeting, all the major conferences of the international community at Monterrey, Johannesburg and Doha had reiterated the critical importance of paying special attention to the needs of the LDCs. The MDGs incorporated those needs very clearly. All of the international community's efforts to support the attainment of the MDGs would be meaningless unless MDGs were realized in the most impoverished countries of the world. Many of the LDCs were making remarkable strides in establishing democracy, good governance and rule of law, and the international community must stand by their side in those painstaking efforts and in becoming integrated into the global economy.

8. **Mr. Bernardini** (Italy), speaking on behalf of the European Union, the acceding countries, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia, explained why the European Union had expressed its opinion on the Secretary-General's report on the implementation of the Brussels Programme of Action (BPoA) when the Almaty Programme of Action had been examined, a decision that had probably given rise to misunderstandings. The fact that the European Union had expressed its points of view in a combined form did not constitute a judgement on those important instruments: that was only the European Union's way of working in the Second Committee. The European Union supported resolutely the programmes of action approved by the international community to support countries with special needs and considered that such programmes deserved attention, analysis and the commitment of all partners. As a matter of fact, the European Union considered that the least developed countries (LDCs), the landlocked developing countries and the small island States would benefit if the Second Committee organized its work around the corresponding programmes of action. That would enable the international community to evaluate the implementation of the programmes of action and provide policy advice when necessary.

9. With respect to the agenda item under consideration, the European Union had already expressed its point of view in the meeting held by the Economic and Social Council (ECOSOC) in July 2003, when the report had been first examined, and had expressed it again two days earlier.

10. **Mr. Strommen** (Norway) said that ensuring proper implementation of the Brussels Programme of Action for the Least Developed Countries (BPoA) should be given the highest priority by all parties: United Nations agencies, other multilateral institutions, the bilateral donor community and, not least, the least developed countries (LDCs) themselves. Addressing the needs and problems of the LDCs was essential to achieving the Millennium Development Goals (MDGs). National responsibility and partnership between LDCs and the whole international donor community lay at the heart of the BPoA. The Programme clearly placed the main responsibility for development on the LDCs themselves and stated that there could be no sustainable development and poverty alleviation unless the basic domestic conditions were in place. In that respect, Norway endorsed the recommendations in the Secretary-General's report that LDCs should pursue policy reforms in the areas of governance and democratization. However, the international donor community must assist LDCs in the areas of development aid and debt relief as well as improved market access. Norway wanted to make a constructive contribution to such a partnership for development and poverty alleviation in LDCs. It had increased its official development assistance (ODA) to LDCs and intended to increase the ODA level to 1 per cent of GDP. It also supported the heavily

indebted poor countries (HIPC) initiative and other multilateral mechanisms such as the UNCTAD debt management programme (DEMFAS), and in the current year was contributing US$ 45 million to such initiatives.

11. In the area of trade, Norway had abolished all duties and quotas on all products from LDCs with effect from 1 July 2002. More liberalized trade could lead to the integration of the LDCs into the global economy. It regretted the outcome of the Fifth WTO Ministerial Conference at Cancun. Norway would do its utmost to promote the Doha Development Agenda and the resumption of the multilateral trade negotiations. Technical assistance and capacity building in the area of trade were equally important for LDCs to improve their supply capacity and benefit from market opportunities. Accordingly, Norway was a stern supporter of the Integrated Framework for Trade-Related Technical Assistance (IF) to LDCs and would promote investment in LDCs.

12. Norway supported the recommendation put forward in the Secretary-General's report to include a reference to the implementation of the BPoA in the Poverty Reduction Strategy Papers (PRSPs) of the LDCs. Co-ordination and harmonization at the local level was pivotal, and full use should be made of the United Nations resident coordinator system. The Office of the High Representative should be instrumental in ensuring a coherent follow-up of the BPoA. Although some progress had been made in the previous year, the international community must join forces in furthering the partnerships agreed in Brussels.

13. **Mr. Huang** (China) said that the least developed countries (LDCs), the most vulnerable of the world economic system, ran the risk of becoming marginalized in economic globalization and expressed his deep concern over the difficult situation that they were going through and that was exacerbated by the apathy of the world's main economies, poverty, natural disasters and the deterioration of the environment and of health.

14. Despite the progress achieved by the international community in the implementation of the Brussels Programme of Action (BPoA), LDCs lacked policy autonomy and faced serious inadequacies – regarding capacity, implementation and financial resources – that hindered their economic and social development. To that were added external problems, such as the reduction in official development assistance (ODA), the increasing of the debt burden, the unfavourable terms of trade and falling commodity prices. Thus, everything indicated that the commitments made by the donors under the BPoA had not been fulfilled and that the international community must refocus its attention on the LDCs.

15. In that regard, China called on the international community, especially the developed countries, to assume their responsibilities, promote the BPoA and provide pertinent support and assistance to the LDCs. The donors should make every effort to raise ODA levels, attain BPoA objectives and provide the LDCs – especially the heavily indebted poor countries (HIPCs) – with debt relief and enough financial support to enable their economies to take off. Moreover, to enable LDCs to be integrated into the multilateral commercial system and benefit from the new round of negotiations, the terms of trade must improve and the commitments regarding free access to markets without duties or quotas must be fulfilled, including the "Everything but Arms" initiative. Given the LDCs' over-dependence on commodity exports, better international coordination and effective measures were necessary to prevent commodity prices from falling.

16. Lastly, it was necessary to build the capacities of LDCs for the formulation and implementation of policies on trade, investment and technology so that they might be better prepared to participate in multilateral trade negotiations, be integrated into the world economy and share the benefits of globalization. Their integration into the world economic system would depend largely on the special consideration that they would receive in the new round of multilateral trade negotiations and on the assistance that would be provided to them for their restructuring.

17. **Mr. Adechi** (Benin), speaking on behalf of the least developed countries (LDCs), stressed the importance of the Secretary-General's report on the implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001–2010 (BPoA) and recalled that Benin, in its capacity as the Chair of the Coordination Bureau for the Least Developed Countries, had made critical comments on the report earlier. Given the many problems faced by those countries and the constant deterioration of the international economic climate, the implementation of the BPoA – theretofore

unsatisfactory -- constituted an urgent necessity. In that regard, it was to be hoped that in the coming years promotion and coordination activities would be stepped up and that the Office of the High Representative (OHRLLS) would present the progress achieved for each party concerned under the matrix format of results recommended by the Economic and Social Council (ECOSOC) in its resolution 2002/33.

18. The fact that many of the LDCs' traditional partners, such as Denmark, Luxembourg, the Netherlands, Norway and Sweden had earmarked more than 0.20 per cent of their GDP for development assistance to LDCs, thereby fulfilling the commitments undertaken under paragraph 83 of the BPoA, was a cause for satisfaction. Benin was grateful to other partner countries and the international organizations for their constant solidarity and support for LDCs, although no data were yet available regarding the importance of their contributions.

19. A key role had been played by the United Nations Capital Development Fund (UNCD), a small multilateral organization whose main beneficiary was the group of LDCs and which, despite its limited resources, carried out in those countries specific activities focused on poverty reduction to implement the BPoA. The partners should therefore provide the resources that would enable it to take tangible poverty reduction measures and extend its activities to more LDCs.

20. LDCs welcomed the fact that the United Nations Development Programme (UNDP) and the World Food Programme (WFP) had each recently decided to send staff to the OHRLLS to assist it in coordination tasks, and encouraged the Secretary-General to seek similar contributions in order to strengthen human resources in the OHRLLS and thereby establish indicators and criteria to measure efficiently the results obtained in implementing the BPoA. That had been the case of the Government of Italy, which moreover had provided the OHRLLS with financial resources to enable a delegate of each LDC country to attend the 2003 substantive session of the Economic and Social Council (ECOSOC).

21. LDC delegations should participate actively and effectively in the review and assessment of the implementation of the BPoA during the annual substantive sessions of the Council and requested the Secretary-General, pursuant to resolution 2003/17 of ECOSOC, to facilitate the participation of two delegates from each LDC in its annual substantive sessions. The LDCs, supported by the Group of 77, would in the near future submit a resolution on the procedure to be followed, and they hoped that it would be adopted without difficulty. Lastly, they requested the Secretary-General to facilitate the consultations of LDCs through the participation and support of the regional economic commissions and the competent organizations of the United Nations system in order to ensure the implementation and subsequent assessment of the BPoA.

22. **Mr. Ali** (Bangladesh) said that his delegation supported the statement made by Benin on behalf of the least developed countries (LDCs) and affirmed that almost all LDCs were pursuing policies for rapid liberalization of trade, finance and investment, despite their constraints, but, except in a few LDCs, the results had not been encouraging. Endemic poverty was ever deepening. The Brussels Programme of Action (BPoA) had set a target growth rate of at least 7 per cent per annum. To realize that, a ratio of investment to GDP of 25 per cent was necessary. Unless the development partners provided their full support, the BPoA would meet the same fate as its predecessors.

23. Many LDCs were relying on trade as an alternate growth strategy. Export earnings provided a large share of their GDP. But most LDCs exported commodities or very basic manufactured goods whose access to export markets was generally limited to countries that provided LDCs with preferences. Unless LDCs received support to diversify their export base, along with enhanced market access, trade could not be relied upon as a vehicle of development.

24. The secular decline in the terms of trade of commodities was a recurrent theme. The Least Developed Countries Report 2002 showed that the share of population living in extreme poverty was highest in those countries that depended on primary commodity exports for their development. Considering the importance of commodities in LDC economies, it was necessary to deal with that issue, especially on the basis of the Report of the Meeting of Eminent Persons on Commodity Issues. With LDC internal financial markets yet underdeveloped, LDCs would need to look abroad for development finance and enhanced official development assistance (ODA), provided they reformed ODA to make it more effective, and gave it a

role of attractin, and supporting private foreign capital. At the same time, effective debt relief to LDCs could release resources to finance their development needs.

25. There was increasing emphasis on a poverty reduction strategy paper (PRSP) process by both the Bretton Woods institutions and the development partners, but concrete measures to build the LDCs' productive capacity and a complementary strategy on the part of the donors and multilateral institutions were essential to ensure development and attain the targets of the BPoA in coherence with ownership, partnership and shared responsibility. LDC governments had achieved some success at the micro level and were also undertaking targeted income, employment and safety net programmes.

26. Coordination of international activities in favour of LDCs was important, provided that there was substantive analysis of the problems of the LDCs and proper understanding of the measures that should be taken. The Office of the High Representative for LDCs (OHRLLS) had been entrusted with system-wide coordination, reporting and advocacy on issues of interest to LDCs. Substantive analysis was carried out by the United Nations Conference on Tariffs and Trade (UNCTAD), and it should be ensured that adequate funds were allocated to that organization. The interested countries did not support the re-direction of resources from analysis to coordination and hoped that, in implementing the BPoA, that distinction would be maintained, and that resources be devoted accordingly.

27. Since ECOSOC substantive sessions assessed the progress made in implementing the BPoA, it was of critical importance that the LDCs should be able to take part in those sessions. Therefore, a mechanism should be devised to facilitate the participation of LDCs in those meetings.

28. **Mr. Al-Haddad** (Yemen) said that his delegation supported the statement made by Benin on behalf of the least developed countries (LDCs) and expressed thanks for the Secretary-General's report on the implementation of the Brussels Programme of Action (BPoA). In view of the obstacles that LDCs faced, to which new restrictions had been added as a result of globalization, it was natural that they did not attain the goals set in the programmes of action of the last two decades, despite their efforts in a framework of partnership and their firm resolve to assume responsibility for their own development.

29. One of the most serious problems was the external debt and its servicing, which required effective measures of assistance under the heavily indebted pour countries (HIPC) initiative. However, the complex and laborious procedures applied to those countries only increased their absolute poverty and prevented them from benefiting from the initiative. As long as a solution to the problem was not found, the LDCs could not, however hard they tried, attain the seventh BPoA objective, namely the national mobilization of financial resources. To that end, the governments of LDCs, as it was evident from their poverty reduction strategy papers (PRSPs), had adopted various measures in order to increase their revenue and lessen their dependence on external assistance, such as the imposition of limits on public expenditure, the reduction of costs, the increase of savings and the establishment of rigorous systems of fiscal and financial reform.

30. Moreover, the great assistance provided by the development partners and donor countries under policies pursuant to the Monterrey Conference and their efforts to mobilize resources through the establishment of the special extrabudgetary trust fund and the trust fund in support of the work of the Office of the High Representative (OHRLLS), which had attracted the interest of many donors, should be recognized. The LDCs' proposal that two representatives from each country should participate in the substantive sessions of the Economic and Social Council (ECOSOC), with financing under the ordinary budget, was reasonable and commensurate with the importance of participation in the sessions of the Council to those countries.

31. As a member of the group of LDCs, Yemen had made every effort to fulfil the commitments made in the BPoA and had undertaken a series of financial and economic reforms in order to deal with social costs in all areas and consolidate its sustainable development. Its poverty reduction strategy aimed to increase the resources earmarked for development, and it was open to participation by civil society, the business sector, the academic sector, the trade unions, the professional associations and representatives of women's organizations. Yemen would pursue the reforms necessary in policy matters and establish the mechanisms required to ensure the implementation of

the BPoA, assuming its national responsibility in that regard and reaffirming its commitment to attaining the BPoA objectives to the benefit of all LDCs.

32. **Mr. Kogda** (Burkina Faso) said that his delegation supported the statement made by Morocco and Benin on behalf of the Group of 77 and China and the group of LDCs, respectively, and said that more than two years after the Brussels Conference, establishing the various partners' commitments and responsibilities aimed at finding solutions to the development problems of LDCs, the implementation of activities that renewed hope had begun. On one hand, the General Assembly and the Economic and Social Council (ECOSOC) and most of the specialized organs and agencies of the United Nations had endorsed the Brussels Programme of Action for the decade 2001–2010 (BPoA). On the other hand, the Secretary-General had set up the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island States (OHRLLS), which was responsible for following up the implementation of the BPoA. Moreover, the group of LDCs had begun to organize itself and set up a coordination bureau, chaired by Benin. There had also been an increase in the number of coordination and consultation frameworks, the most important of which had been the Twelfth Ministerial Conference of August 2002 and the recent ministerial conference held by the Moroccan Chair of the Group of 77 and China.

33. The delegation of Burkina Faso welcomed the establishment of a special trust fund to support the activities of the OHRLLS, and invited the development partners to participate in the fund. One important step in following up on the BPoA was the formulation of a matrix for assessing its implementation. Burkina Faso also welcomed the initiative of the OHRLLS to organize a workshop for the national coordinators in charge of following up the BPoA at the national level.

34. The LDCs should win the wager of poverty reduction and take up the challenge of economic growth, competitiveness and strengthening of democratic governance by eliminating the main obstacles to their development, improving their competitive resources and drawing up human resources development strategies. To attain those aims, substantial support from bilateral and multilateral donors, decentralized cooperation and the contribution of non-governmental organizations (NGOs) were needed to implement the development projects. Burkina Faso welcomed the initiatives announced by some development partners in favour of LDCs and urged the partners to be more impartial and less selective in fulfilling their commitments.

35. Burkina Faso worked to strengthen its partnerships – especially with the International Monetary Fund (IMF) and the World Bank – which had recently intensified significantly with the economic policy framework, the public expenditure review, the heavily indebted pour countries (HIPC) initiative and the strategic framework for growth and poverty reduction. A note on national strategy and a plan for development assistance had been drawn up with the United Nations system. The Burkina Faso delegation stressed that assistance to Burkina Faso had increased. However, inadequacies continued to exist, especially concerning the coordination of the various activities and the national capacity for the formulation, implementation, monitoring and evaluation of projects and programmes. To overcome those inadequacies, the Government of Burkina Faso was strengthening the mechanism set up as part of the reform of the terms of development assistance. Moreover, it had devised a system for the decentralization of information and the collection, processing and analysis of data on household living conditions. With support from UNDP, a unit had been set up to monitor poverty and sustainable human development and another to monitor employment and professional training.

36. With regard to the promotion of foreign direct investment (FDI), Burkina Faso had initiated reforms in specific sectors of the economy in order to adapt to governance standards and had approved an attractive investment code, but, despite those measures, FDI flows had been scarce in the last ten years. To halt that trend, a law had just been adopted concerning the agreements on investment promotion and protection that had been concluded on the occasion of the Brussels conference with the Belgium-Luxembourg Economic Union (BLEU), Benin, Ghana, Mauritania and Chad. Through that law, Burkina Faso sought to demonstrate to the international community its commitment to the establishment of a favourable and stable environment to attract FDI.

37. To enable the LDCs to escape from the mortal trap of poverty, every commitment made in Brussels must be respected. It was also necessary that new prospects should be opened up to those countries under the Monterrey Consensus, and the conclusions of the

Johannesburg Summit should be implemented in such a way as to take into account the basic objective of poverty reduction in the most vulnerable countries. The Second Committee played an important role in that regard. The Burkina Faso delegation had recently called upon the international community to provide effective support for the monitoring and evaluation mechanism at the levels of the Economic and Social Council (ECOSOC) and of the General Assembly, with a view to the full and coordinated implementation of the commitments made in favour of LDCs for the decade 2001–2010. Lastly, Burkina Faso invited the General Assembly to provide more facilities to the representatives of LDCs, ensuring fully their participation in the annual substantive meetings of ECOSOC, at which the follow up of the BPoA was examined.

The meeting rose at 4.25 p.m.